



# Back Pay Checklist



Item	Remarks	Agency Verification Y or N	Payroll Branch Verification
Copy of Order	A copy of the order and all associated documents		
Positive Manual Adjustment (form)	Manual Adjustment form (SAS-27)		
Calculating at Annualized Rate for FIT and SIT	Using the Percentage Methods and the employee's W-4 and K-4 information, calculate the FIT and SIT		
Calculating at 25% FIT and 6% SIT	Using the flat rate method, calculate FIT and SIT at these percentages.		
PAN Recap	A listed history of PAN changes related to the order		
Back Pay Worksheet (form)	An overview of the back pay composition- please submit the board order, wage worksheets and other supporting documentation via Business Request prior to sending those wages to Kentucky Retirement System or Kentucky Teacher's Retirement. We will review and verify that the amount of the back pay is correct and that it is reported in the correct period so that when the wages are sent to Kentucky Retirement System and Kentucky Teacher's Retirement they will be able to correctly generate an invoice for contributions and interest.		
Form SS-9 Back Pay Under A Statute	A form required by the Social Security Coverage and Reporting Branch for payments that meet the Back Pay Under A Statute definition (contact SSCRB in the Finance and Administration Cabinet for any questions regarding this requirement)		
Retirement Statement of Contributions and Interest Due	A statement from KERS of how much EE and ER contributions and interest is due. The interest due is paid on the STATE side of the positive manual adjustment. Even if none is due, a statement from Retirement systems is required.		
Employee Affidavit (for wages received during separation; does not apply if there is no period of separation)	A statement of wages earned by the employee during the period of separation, to be completed by the employee, along with any appropriate documentation. These amounts are offset from the gross amount of the manual payment, but are not offset from the wages subject to Retirement (KERS provides a statement of contributions and interest due).		
Unemployment Insurance Payback	If the employee received Unemployment Insurance Benefits during the period of separation, this amount must be paid back as a deduction from the manual payment.		
Health Cost Reimbursement	Reimbursement to the employee by the agency, paid on the STATE side of the positive manual adjustment, of out of pocket healthcare costs or insurance premiums during the period of separation. Potentially applicable for prior year separations or potentially for separation periods in current year during which the employee obtained other health coverage. Agencies are directed to consult DEI for determination of applicability.		

Group Health Made Whole	Withholding of employee and employer health insurance contributions to make an employee whole for current year separation period. This may not apply if the employee obtained other insurance during a current year period of separation. Agencies are directed to consult DEI for determination of applicability.		
Group Life Insurance	Agencies are directed to consult Group Life Insurance for determination of amounts due.		